

MBA GUIDE 2015

The MBA
as a career
step



Civil EKONOMERNA

Welcome to the MBA-guide!

With this MBA Guide we hope to answer some of the general questions on MBA studies and offer you guidance in the programme selection and application process. There are several types of MBA programmes with many specialisations. The study pace varies as do admission requirements and programme costs. The guide is also available at www.civilekonomerna.se/mba

Stockholm, August 2015
Civilekonomerna
The Swedish Association
of Graduates in Business
Administration and Economics

MBA-definition and general information

MBA

The Master of Business Administration degree is not legally protected in Sweden and therefore lacks an exact definition. In short, an MBA is a graduate management programme for those who aim at a professional career rather than further academic study. Its purpose is to provide students with knowledge and tools to better and successfully lead companies and organisations. The personal network built during the studies is a vital part of the programme and a long-term asset.

In many countries, an MBA is necessary in order to get more senior positions within a company or an organisation. The degree also means a higher salary and more generous benefits. The difference used to be more obvious in the U.S. but there is now a similar development in many other countries. However, not all employers see an MBA degree as a necessary career step. In the Nordic countries an MBA may be a great merit but not to the extent that it renders a much higher income.

The study plan for the MBA differs from those of the one-year and two-year Master of Science (M.Sc.) degrees. One-year Master of Science programmes usually require an undergraduate degree in business. Requirements for two-year programmes vary and one can apply for an MBA programme regardless of one's undergraduate major. In the Nordic countries most MBA-applicants are graduates of business and engineering schools but there is an increasing interest

among other professionals. At many U.S. business schools, 20–40 percent of the admitted MBA class have an undergraduate business degree. This is a strategy to get a good mix of experience in the group.

Brief history

The first MBA programmes were started on the U.S. East Coast already at the beginning of the 20th century to meet the demand for persons specialised in business administration and leadership. The development of the MBA in the U.S. was a result of the American higher education structure. Most U.S. undergraduate programmes are four years in length and lead to a bachelor's degree. The first two years are general studies in several subjects and U.S. students usually choose their major at the beginning of the third year of studies. During the final years one also takes some courses outside of the major subject, resulting in a more diverse degree compared to European programmes which are usually focused from the beginning.

Originally MBA programmes were two-year full-time programmes with a common first year and an individually specialised second year. Most students were admitted directly after completion of their undergraduate degree. Over the years admission requirements have become much stricter and programmes now have closer ties to academic research as well as an increased interaction with the business world and industry.

MBA programmes in other parts of the world have been modelled on the U.S.

programmes but modified to better suit the needs of specific countries or regions. In the Nordic countries only a few institutions offer full-time MBA-programmes but there are Executive MBAs. The Scandinavian leadership style continues to attract professionals from many countries.

Recent trends

Every year hundreds of thousands of MBA degrees are awarded around the world, most of them in the U.S. where more than 400 universities have accredited programmes. In many countries there has been a decrease in the number of applications for two-year full-time MBAs whereas applications to one-year programmes, part-time programmes and Executive MBAs have increased. Many professionals also postpone their MBA studies to apply for Executive MBAs later in their careers.

Programme types, study pace and language

MBAs vary in focus, length, and cost. Full-time programmes are usually one or two years in length or even longer if an internship is included. Two-year MBAs are still most popular in the U.S. whereas one-year programmes are more common in Europe. A programme can have a set structure with mandatory courses and only a few electives, whereas others have few compulsory courses and many electives from which to select freely.

The study pace of full-time MBAs is intense but one studies with highly motivated professionals, making the programme a creative environment and the base for a

Executive MBAs are part time programmes for professionals

future network. The majority of those who choose full-time studies are 25–35 years old. Modular MBAs are usually full-time and structured to combine longer working periods with one- or two-month intensive study blocks.

Besides the traditional full-time MBAs, there are part-time programmes and the demand for online MBAs is increasing. These programmes can be fully Internet-based or have a number of weekend meetings per year. There is also an increasing number of professionals choosing part-time programmes while working full time.

- Part-time programmes are offered in many formats, at a study pace of 50 percent or 25 percent and can be distance-learning programmes. They focus mainly on the same group of students as the full-time programmes but can also be for those with extensive work experience.
- Executive MBAs are part time programmes for professionals in more senior positions. They can be part-time

or modular programmes. Some are distance education programmes with a few real life meetings.

- Global Executive MBAs have an international focus. There are programmes at universities with campuses in different parts of the world, and also programmes given in cooperation by universities in different countries.

MBA programmes are often offered in English but some are given in a country's own language/-s.

Focus

There are MBA programmes with a general leadership focus which cover most areas within an organisation, such as strategic planning, finance, marketing, business ethics, human resources, and accounting. Others have a very specific focus, e.g. digital marketing, not-for-profit management, or entrepreneurship.

New technologies and world markets influence the MBAs. Most schools offer courses focusing on sustainability and

corporate social responsibility, including ethical, philosophical, social, and global issues.

Programme structure

Most MBA programmes have mandatory courses taken by all students, the core courses or foundation courses. In two-year programmes these courses constitute the full first year and in one-year MBAs, about half or even 2/3 of the entire programme. The rest of the courses are electives which you choose according to interest. Many of the two-year programmes also have an internship part.

Teaching methods

Some of the most widely used methods are:

- The lecture method which is traditional but still used by many programmes
- The Case method where students work with actual business scenarios and make recommendations for action
- Discussions and lectures over the Internet, by webinars, video conferences or e-mail

Costs

The total cost for an MBA is high. The yearly tuition fee can exceed €60 000 and fees for Executive MBAs are even higher.

When is the right time for an MBA and what's in it for me?

An MBA programme is a major investment both in time and money. It is necessary

to be clear about the reason for taking an MBA. It is to get a new and more qualified job, a switch in focus, or an expanded network?

Is this the right time for an MBA programme in your professional and personal life? Do you have the possibility to study full-time for one or two years? Is it feasible for you to live in another place or even another country during an extended period of time? Is your employer willing to finance an Executive MBA the best solution to study part-time while working?

What are the application requirements?

All programmes have their own specific requirements but most schools have the following general requirements:

- ▶ A bachelor's degree of at least three years with excellent grades
- ▶ At least two but often several years of work experience relevant to one's undergraduate degree

Choosing the right program - accreditation

How does one know that the MBA programme is of high quality? Most institutions offering MBA programmes have them accredited by one or several independent accrediting associations to certify that the programmes meet the set standards. It is a voluntary and quite costly process, which is why some schools choose not to accredit their programmes. This is especially true for institutions in countries where higher education is

under governmental supervision. However, there is a trend also in these countries to obtain as many accreditations as possible to benchmark the programmes internationally.

There are three leading accrediting associations for MBA programmes:

- ▶ AACSB International - the Association to Advance Collegiate Schools of Business (www.aacsb.edu) - accredits about 700 institutions in 48 countries.
- ▶ The Association of MBAs (www.mbaworld.com) accredits more than 200 programmes in 70 countries.
- ▶ EFMD, The European Foundation for Management Development (www.efmd.org) initiated the European Quality Improvement System (EQUIS) as a joint project within the European Quality Link (EQUAL) network and now accredits more than 150 institutions in 40 countries.

The Swedish Association of Graduates in Business Administration and Economics is a board member of EQUAL. EQUAL has published Guidelines for MBA programmes.

<https://www.efmd.org/images/stories/efmd/downloadables/EQUAL/EQUAL-Guidelines.pdf>

In addition, there are several organisations operating more locally in different regions, such as the Central and East European Management Development Association (CEEMAN) and the Foundation for International Business Administration Accreditation (FIBAA), a German-Swiss organisation.

Ranking

Few other educations are ranked to such an extent as the MBA programmes. There are no official rankings but several magazines or newspapers do yearly rankings. They will give you a general overview but it is important to find out how they are done. Some are:

- ▶ Bloomberg Business Week
www.businessweek.com/bschools/rankings
- ▶ The Economist
www.economist.com/whichmba/full-time-mba-ranking
- ▶ Financial Times
<http://rankings.ft.com/businessschoolrankings/rankings>
- ▶ Forbes
www.forbes.com/business-schools/list/international
- ▶ U.S. News and World Report
<http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools/top-business-schools>

If you are interested in U.S. special focus MBA programmes you will find rankings on the U.S. News and World Report website.

The European University Association (EUA) published a report on Global rankings in April 2013.

www.eua.be/News/13-04-18/EUA_publishes_second_rankings_review_report.aspx

Information and Advising

To select an MBA programme and write your application is a long and time-consuming process. Planning ahead is essential as applications are comprehensive

Planning ahead is essential to meet application deadlines

and many schools have early application deadlines set 9–10 months before the program starts.

The most updated and comprehensive information on particular programmes is available on the school and department websites, where most schools have online applications. Schools also arrange information days or evening events with lectures and tours around the facilities and many have virtual campus tours on their websites.

Current or former MBA students can provide advice and insight not to be found in handbooks or on websites. Most institutions offering MBAs have alumni associations which arrange seminars and information sessions for interested professionals.

In many cities around the world there are free MBA fairs with participating schools from many countries. The Economist offers a free annual online fair, Which MBA? Online Fair. During the past years, there have been few MBA fairs in

the Nordic countries.

For those interested in MBA programmes outside the Nordic countries, there are many handbooks both in print and digital, like

- ▶ The Official Guide to Choosing an MBA, published by the Association of MBAs and the Independent,
www.independenteazines.co.uk/mba_guide
- ▶ EMBA Up Close - What you need to know about the Executive MBA, Executive MBA Council,
http://executivemba.org/pdf/ebook_emba_up_close.pdf

General information on MBA programmes can be found on a great many websites, among them:

- www.find-mba.com
- www.foreignmba.com
- www.mba.com
- www.mbaworld.com/global
- www.emba.org
- <http://executivemba.org>

Besides publishing yearly rankings, Bloomberg Business Week, the Economist, the Financial Times and U.S. News and World Report offer a wealth of general MBA information:

www.bloomberg.com/business-schools
www.economist.com/whichmba
<http://www.ft.com/intl/business-education>
<http://grad-schools.usnews.rankingsandreviews.com/best-graduate-schools>

Many embassies offer educational information and some also educational advising. Besides distributing this MBA guide free of charge, the Swedish Association of Graduates in Business Administration and Economics (Civilekonomerna) offers free advice on MBA studies at

www.civilekonomerna.se

A successful application

All institutions offering MBA programmes have their own admission standards, application requirements and deadlines. Timing is essential to put together a competitive and successful application as there are schools with deadlines 9–10 months prior to the programme start.

The admissions process varies depending on the institutions. Some will review all applications after the deadline, whereas others use the system of rolling admissions, in which case an early application is a great advantage. With the rolling admissions policy, decisions are usually made during two or three time slots.

Some MBA-candidates apply to one program only while others submit

applications to several institutions. There are programmes with very high non-refundable application fees, especially in the U.S. where fees can range between \$200–300. Most MBA programmes publish information on the number of applications received and the acceptance rate, can be as low as 7 percent and for other programmes 50 percent or higher.

The MBA application

Requirements vary but besides the basic application forms, most schools will ask for:

- ▶ Copies of your undergraduate degree, transcripts and translations, if needed. The degree should be equivalent to an international bachelor's degree of at least three years.
- ▶ A few or several years of relevant work experience
- ▶ Two or more letters of recommendation
- ▶ GMAT (Graduate Management Admission Test) scores.
- ▶ A language test, TOEFL or IELTS, for non-native English speakers if the programme is in English

Most applications include a personal statement and one or more essays. For Executive MBAs, you also need a letter of employer endorsement. A great number of institutions interview applicants who have passed the initial screening.

The purpose of the application is naturally to present the best possible case for admission. All parts of the application are important. Some issues to address in the application are: Why is an MBA degree

important for me at this particular time? Why this specific programme and what will I contribute? How does this program fit into my career plans?

What do schools look for in a candidate?

All institutions have their own criteria for assessment. Admissions committees value:

- ▶ Leadership experience/potential
- ▶ Excellent academic records
- ▶ Analytic skills
- ▶ Motivation
- ▶ Ability to inspire others
- ▶ Purposefulness
- ▶ Initiative
- ▶ Sense of responsibility
- ▶ Flexibility in handling situations and people
- ▶ Awareness of one's own strengths and weaknesses
- ▶ Excellent oral and written expression skills
- ▶ Foreign language skills
- ▶ Study and/or work experience in other countries
- ▶ Extracurricular activities, community service or other voluntary work

Interaction between students is an important part of any MBA programme. Therefore, the schools look for diversity and students who will contribute to the admitted class. With this in mind, expressing your personality in the application is of great importance. Letters of recommendation and interviews help the schools assess your merits and potential.

Letters of recommendation

Getting outstanding letters of recommendation can be decisive for your application. You should choose references you know well and who appreciate your achievements. Most MBA applications include reference letter forms to be used. Business references usually carry more weight than academic letters, especially if you have worked for several years. It is important to discuss the programme with your reference. In the letter, it is often helpful for the reference to give specific examples of your skills and achievements to date. Schools generally require letters to be submitted directly by the references. However, it is always your responsibility to make sure that the letters reach the admissions office(s) in time.

Interviews

Many of the MBA programmes have mandatory interviews with applicants who have passed the first screening. The interview is an opportunity to come across as the ideal candidate with great social skills to back up your formal merits and also to reiterate your reasons for choosing the particular program. Many schools ask their international alumni to interview applicants in their home countries. Others offer telephone/Skype interviews to applicants from other countries.

Test information

Most institutions offering MBAs require scores from the Graduate Management Admission Test (GMAT). For programmes in English, the Test of English as a

Foreign Language (TOEFL) or the International English Language Testing System (IELTS) must be taken by applicants with another first language. Planning ahead is crucial as one has to register for the test(s) weeks in advance. After the test date, it takes several weeks to get the scores which must be received by the schools before the application deadline.

GMAT

More than 245,000 GMATs are taken annually. The number of GMATs taken in the Nordic countries continues to increase as it is a requirement for applications to many two-year master of science and doctoral programmes. The GMAT was developed specially for MBA admissions by the Graduate Management Admission Council (GMAC) and has been used since 1954. It measures logic thinking and analytic ability through mathematical and verbal test assignments under great time pressure. In addition, a writing section is included.

The GMAT score is only one of the components of an MBA application but for the most competitive MBA programmes, a high score is necessary for admission. There are online courses and on the GMAT website you will find preparation tests to download.

For information and registration:
www.mba.com

TOEFL

The TOEFL is an American language test for non-native English speakers. It measures reading and listening comprehension, grammar, vocabulary, as well as oral

and writing skills. The test is primarily used by institutions in the United States and Canada but also accepted by many universities in Australia, New Zealand and in several Asian countries. In addition, it is accepted by universities in many other countries as an equivalent to the IELTS. The TOEFL is administered worldwide. For information and registration:

www.ets.org/toefl

IELTS

IELTS is a British language test administered all over the world. It is required by institutions in the United Kingdom and accepted by schools in Asia, Australia and New Zealand as well as by universities in other European countries. An increasing number of U.S. institutions now accept the IELTS as well.

Like the TOEFL, the IELTS measures reading and listening comprehension, grammar, vocabulary, and writing skills. There is also an oral interview section.

For information and registration:
www.ielts.org

Financing an MBA - Scholarships

There are extreme variations in the costs to complete an MBA programme. It is important to remember that costs do not necessarily reflect quality - a programme is not better because of high fees. In the Nordic countries there are a few programmes without fees, but usually costs are high. There are U.S. programmes with tuition fees of \$65,000 per academic year, there are programmes in Europe with

€60,000 tuition fees, and fees for Executive MBAs are even higher.

Most Executive MBA programmes are fully or partially financed by employers which usually means that the employee needs to stay on in the company or organisation a certain time period after graduation. If you are a member of a union we recommend that you discuss the agreement with them.

Some MBA students can use governmental study assistance for full-time programmes while others finance their studies through bank loans. For others still, the only way to afford studies is to opt for part-time studies and work concurrently.

There are institutions offering some financial support for admitted international students but it is rare. In the U.S., MBA degrees are seen as investments as the salary level is much higher for those who have the MBA. Therefore, scholarship possibilities are limited. Always check for scholarships from foundations and organizations in the country of which you are a citizen, as many scholarships are tied to citizenship or permanent residency.

Scholarship handbooks can be found in public and university libraries. In addition, most institutions of higher education have excellent and updated information on their websites, not only for their own students but on scholarship opportunities in general.

Depending on one's profession, some grants for professional development can be found through unions and/or professional associations.●



civil**EKONOMERNA**

Adress: Box 4720, 116 92 Stockholm

Phone: 08-556 912 00 | Fax: 08-556 912 01

Medlemsjouren: 08-556 912 60 | Medlemsregister: 08-556 912 70

Etikjouren: 08-556 912 80 | www.civilekonomerna.se | kontakt@civilekonomerna.se